**India's International Trade**

462. SHRI PARAG CHALIHA: Will the Minister of COMMERCE be pleased to state:

(a) whether Goernment have had any assessment/impact of different kinds of sanctions and cuts imposed on India's international trade by different countries against India;

(b) if so, the conclusion thereof; and

(c) the details of effort made by Government to neutralise the same?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) to (c) Sir, trade sanctions have not been imposed by any country on India so far.

**Agreement for Import of Wheat from Australia by STC**

463. SHRI NARENDRA MOHAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the State Trading Corporation of India and the Australian Wheat Board had signed an agreement for import of 1.5 million tonne of wheat from Australia;

(b) if so, whether the STC Board has now refused to ratify the contract, primarily because the contracted price is over $ 20 a tonne more than the then prevailing international price;

(c) if the above position correct, whether there has been allegation of commission being paid in this deal to the tune of Rs. 90/- crores; and

(d) whether import of wheat is at all necessary in view of comparatively good production of wheat in the country and likely procurement target of 11 to 12 million tonnes this year as compared to 9.5 million tonne last year?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Yes, Sir.

(b) No, Sir.

(c) Does not arise.

(d) Government constantly review the stock position of foodgrains in the Central Pool *vis-a-vis* the prescribed minimum buffer norms, production of foodgrains in the country, trend of procurement, requirement for the Public Distribution System/other welfare schemes, open market prices etc. and decision to import foodgrains is taken depending on the overall situation. Due to untimely rains during the sowing season, the Ministry of Agriculture had initially estimated that the production of wheat during the current Rabi season was likely to be 64.51 million tonnes as against the production of 69.27 million tonnes last year. Government has, therefore, decided to import upto 2.0 million tonnes of wheat during 1998-99 to build up adequate reserves for keeping the prices under control.

**Trade Deficit**

464. SHRI NARENDRA MOHAN: Will the Minister of COMMERCE be pleased to state:

(a) the trade deficit during the last three years;

(b) the projected trade deficit for the coming two years;

(c) the steps being proposed to be taken to bridge the increasing trade deficit; and

(d) whether there is any possibility in the near future when the trade deficit i.e., adverse balance of payment position would be bridged?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) According to the provisional data available from the DGCI&S the trade deficit in rupee terms and in dollar terms during the last three years is as given below:

| Year | Trade Deficit | |
|---|---|---|
| | Rs. crore | US $ million |
| 1995-96 | -15182 | -4539 |
| 1996-97 | -19319 | -5442 |
| 1997-98 | -25268 | -6799 |

(b) to (d) The trade deficit is the excess of imports over exports. Imports are influenced by requirements for industrial production and besides essential inputs like petroleum, fertilizers etc. The key to reducing trade deficit lies in accelerated export growth. Export promotion measures are continuously being taken by the Government to enhance the export growth of the country through policy liberalisation and simplification of procedures for providing an export friendly environment Export promotion is a continuous process based